



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 7, 2010

TO: Board of Oil, Gas & Mining

THROUGH: John R. Baza, Director *JB*

FROM: Steve Schneider, Administrative Services & Policy Coordinator *Steve*

SUBJECT: Informal Rulemaking Status: Annual Fees and Reports Deadlines, Minerals Program

This memorandum is written to update the Board on the status of the informal rulemaking process pertaining to the Minerals Program efforts to consolidate annual fees and reports deadlines. The formal rulemaking process is ready to commence after the briefing to the Board on December 8, 2010.

In review, the Division provided draft rules with explanation to the Board at the October 27, 2010 briefing. On October 28, 2010, the Division provided the draft rules to the Informal Rules Review Group and requested a reply by November 29, 2010, as shown on the attached. The Division also posted notice on the Division website and notified Mineral permittees via email. The Division received three comments by email, all in support of the proposed rules. The comments were from John Kirkham of Stoel Rives, Dick White of Energy Fuels Resources, and Sandy Nell of Lone Star Mining.

Unless there are objections raised at the December 8, 2010 briefing, the Division is ready to commence formal rulemaking by the filing of a petition to the Board by January 10, 2011. Thereafter, the Board could initially hear the formal matter on February 23, 2011, the Division would submit the rules filing to the Division of Administrative Rules by March 1, 2011, and formal public comment could occur on March 23, 2011.

I will be available to answer questions at the Board briefing on December 8, 2010 or I can be reached at 801-538-5328.

Attachment



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October 28, 2010

TO: Informal Rules Review Group

THROUGH: John R. Baza, Director *JB*

FROM: Steve Schneider, Administrative Services & Policy Coordinator *Steve*

SUBJECT: Solicitation of Comments on Minerals Program Rule Amendments, Annual Fees and Reports Deadlines, Informal Rulemaking Process

This letter is written to seek your comments on a Minerals Program rule proposal primarily to consolidate annual fees and annual reports to one consistent due date of January 31. The Division is seeking process efficiencies in this proposal and does not foresee a negative impact upon the permittees or the public at large. The Board of Oil, Gas & Mining was briefed at their public meeting on October 27, 2010 prior to this rule proposal proceeding to the Informal Rules Review Group for comments.

The attached proposed rule amendments reflect changes in three areas, as follows:

1. Delay of the deadline for an Exploration Progress Report from December 31 to January 31, thus establishing one consistent deadline for all annual reports.
2. Delay of the annual fee deadline in July for all permittees until the annual reports are due, i.e. January 31. The Division would still collect the annual fee in the same state fiscal year.
3. Correct one word in the Small Mining Operations rule, R647-3-105, which currently requires an operations map to include "exploration" activities and the proper term should be "small mining" activities in this rule. Maps of exploration activities are required in the Exploration rule at R647-2-105.

Please take this opportunity to review this proposal and provide a response to Steve Schneider by **November 29, 2010**, if you desire. Consideration will be made of your comments prior to proceeding with formal rulemaking with the Board. I can be reached by e-mail at steveschneider@utah.gov or by telephone at 801-538-5328 if you have any questions.

Thank you in advance for your consideration of this matter.

Attachment

